

Producers 88 (1/05) Revised Paid Up  
With 640 Acres Pooling Provision

**NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.**

## OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 22nd day of December, 2009, by and between, **SSHF & G, L.L.C.**, Lessor (whether one or more), whose address is: 904 E. Waggoman Street, Fort Worth, Texas 76110, and Dale Property Services, L.L.C., as Lessee, whose address is: 2100 Ross Ave., Suite 1870, Dallas, Texas 75201, WITNESSETH:

NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN, THIS LEASE DOES NOT GRANT TO LESSEE ANY RIGHT TO USE THE SURFACE OF THE LEASED LAND FOR DRILLING OR STORAGE OF MATERIALS OR EQUIPMENT.

1. Lessor in consideration of **Ten and no/100s (and other Good and Valuable consideration)** Dollars (\$ 10.00 & OVC), in hand paid, of the royalties herein provided, and of the agreements of Lessee here contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas and all other minerals, conducting exploration, geologic and geophysical surveys by seismograph, core test, gravity geochemical and magnetic methods, injecting gas, water and other fluids, and air into subsurface strata, laying pipe lines, building roads, tanks, power stations, telephone lines and other structures thereon and on, over and across lands owned or claimed by Lessor adjacent and contiguous thereto, to produce, save, take care of, treat, transport and own said products, and housing its employees, the following described land in **Tarrant County, Texas**, to-wit:

**7.617 ACRES OF LAND, MORE OR LESS, BEING TRACT 13 OUT OF THE JOHN AKERS SURVEY, A-24, AN ADDITION TO THE CITY OF HALTOM CITY, BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS IN THAT CERTAIN DEED DATED JANUARY 1, 1995, FROM 121 VENTURE CORP., A TEXAS CORPORATION, AS GRANTOR, TO SSHF & G, L.L.C., AS GRANTEE, RECORDED IN VOLUME 12054, PAGE 312, OF THE OFFICIAL PUBLIC RECORDS OF TARRANT COUNTY, TEXAS.**

This lease also covers and includes all land owned or claimed by Lessor adjacent or contiguous to the land particularly described above, whether the same be in said survey or surveys or in adjacent surveys, although not included within the boundaries of the land particularly described above.

2. This is a paid up lease and subject to the other provisions herein contained, this lease shall be for a term of **Three (3) years** from this date (called "primary term") and as long thereafter as oil, gas or other mineral is produced from said land or land with which said land is pooled hereunder.

3. As royalty, lessee covenants and agrees: (a) To deliver to the credit of lessor, in the pipelines to which lessee may connect its wells, the **equal one-fourth (1/4)** part of all oil produced and saved by lessee from said land, or from time to time, at the option of lessee, to pay lessor the average posted market price of such one **one-fourth (1/4)** part of such oil at the wells as of the day it is run to the pipe line or storage tanks, lessor's interest, in either case, to bear **one-fourth (1/4)** of the cost of treating oil to render it marketable pipe line oil; (b) to pay lessor for gas and casinghead gas produced from said land (1) when sold by lessee, **one-fourth (1/4)** of the amount realized by lessee, computed at the mouth of the well, or (2) when used by lessee off said land or in the manufacture of gasoline or other products, **one-fourth (1/4)** of the amount realized from the sale of gasoline or other products extracted therefrom and **one-fourth (1/4)** of the amount realized from the sale of residue gas after deducting the amount used for plant fuel and/or compression; (c) To pay lessor on all other minerals mined and marketed or utilized by lessee from said land, one-tenth either in kind or value at the well or mine at lessee's election, except that on sulphur mined and marketed the royalty shall be one dollar (\$1.00) per long ton. If, at the expiration of the primary term or at any time or times thereafter, there is any well on said land or on lands with which said land or any portion thereof has been pooled, capable of producing oil or gas, and all such wells are shut-in, this lease shall, nevertheless, continue in force as though operations were being conducted on said land for so long as said wells are shut-in, and thereafter this lease may be continued in force as if no shut-in had occurred. Lessee covenants and agrees to use reasonable diligence to produce, utilize, or market the minerals capable of being produced from said wells, but in the exercise of such diligence, lessee shall not be obligated to install or furnish facilities other than well facilities and ordinary lease facilities, flow lines, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to lessee. If, at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, lessee shall pay or tender, by check or draft of lessee, as royalty, a sum equal to one dollar (\$1.00) for each acre of land then covered hereby. Lessee shall make like payments or tenders at or before the end of each annual anniversary of the expiration of said ninety day period if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each such payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing, and may be **paid directly to Lessor at the above address**, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that lessee pays or tenders shut-in royalty, two or more parties are, or claim to be, entitled to receive same, lessee may, in lieu of any other method of payment herein provided, pay or tender shut-in royalty, in the manner above specified, either jointly to such parties or separately to each in accordance with their respective ownerships thereof, as lessee may elect. Any payment hereunder may be made by check or draft of lessee deposited in the mail or delivered to the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. Nothing herein shall impair lessee's right to release as provided in paragraph 5 hereof. In the event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owners of this lease, severally as to acreage owned by each.

4. Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof as to oil and gas, or either of them, with any other land covered by this lease, and/or with any other land, lease or leases in the immediate vicinity thereof to the extent hereinafter stipulated, when in Lessee's judgment it is necessary or advisable to do so in order to properly explore, or develop and operate said leased premises in compliance with the spacing rules of the Railroad Commission of Texas, or other lawful authority, or when to do so would, in the judgment of Lessee, promote the conservation of oil and gas in and under and that may be produced from said premises. Units pooled for oil hereunder shall not substantially exceed 40 acres each in area, and units pooled for gas hereunder shall not substantially exceed in area 640 acres each plus a tolerance of ten percent (10%) thereof, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, for the drilling or operation of a well at a regular location or for obtaining a maximum allowable from any well to be drilled, drilling or already drilled, units thereafter created may conform substantially in size with those prescribed or permitted by governmental regulations. Lessee under the provisions hereof may pool or combine acreage covered by this lease or any portion thereof as above provided as to oil in any one or more strata and as to gas in any one or more strata. The units formed by pooling as to any stratum or strata need not conform in size or area with the unit or units into which the lease is pooled or combined as to any other stratum or strata, and oil units need not conform as to area with gas units. The pooling in one or more instances shall not exhaust the rights of the Lessee hereunder to pool this lease or portions thereof into other units. Lessee shall file for record in the appropriate records of the county in which the leased premises are situated, an instrument describing and designating the pooled acreage as a pooled unit; and upon such recordation the unit shall be effective as to all parties hereto, their heirs, successors, and assigns, irrespective of whether or not the unit is likewise effective as to all other owners of surface, mineral, royalty, or other rights in land included in such unit. Lessee may at its election exercise its pooling option before or after commencing operations for or completing an oil and/or gas well on the leased premises, and the pooled unit may include, but it is not required to include, land or leases upon which a well capable of producing oil and/or gas in paying quantities has theretofore been completed or upon which operations for the drilling of a well for oil and/or gas have theretofore been commenced. In the event of operations for drilling on or production of oil and/or gas from any part of a pooled unit which includes all or a portion of the land covered by this lease, regardless of whether such operations for drilling were commenced or such production was secured before or after the execution of this instrument or the instrument designating the pooled unit, such operations shall be considered as operations for drilling on or production of oil and/or gas from land covered by this lease whether or not the well or wells are located on the premises covered by this lease and in such event operations for drilling shall be deemed to have been commenced on said land within the meaning of paragraph 5 of this lease; and the entire acreage constituting such unit or units, as to oil and gas, or either of them, as herein provided, shall be treated for all purposes, except the payment of royalties as production from the pooled unit, as if the same were included in this lease. For the purpose of computing the royalties to which owners of royalties and rights to payments out of production and each of them shall be entitled on production of oil and gas, or either of them, from the pooled unit, there shall be allocated to the land covered by this lease and included in said unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) a pro rata portion of the oil and gas, or either of them, produced from the pooled unit which the number of surface acres covered by this lease (or in each such separate tract) and included in the pooled unit bears to the total number of surface acres included in the pooled unit. Royalties hereunder shall be computed on the portion of such production, whether it be oil and gas, or either of them, so allocated to the land covered by this lease and included in the unit just as though such production were from such land. The production from an oil well will be considered as production from the lease or oil pooled unit from which it is producing and not as production from a gas pooled unit; and production from a gas well will be considered as production from the lease or gas pooled unit from which it is producing and not from an oil pooled unit. The formation of any unit hereunder shall not have the effect of changing the ownership of any shut-in production royalty which may become payable under this lease. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interest as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool as provided above with consequent allocation of

production as above provided. As used in this paragraph 4, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

5. If at the expiration of the primary term, oil, gas, or other mineral is not being produced on said land, or from the land pooled therewith, but Lessee is then engaged in drilling or reworking operations thereon, or shall have completed a dry hole thereon within 60 days prior to the end of the primary term, the lease shall remain in force so long as operations on said well or for drilling or reworking of any additional well are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas or other mineral, or any of them, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. If, after the expiration of the primary term of this lease and after oil, gas, or other mineral is produced from said land, or from land pooled therewith, the production thereof should cease from any cause, this lease shall not terminate if Lessee commences operations for drilling or reworking within 60 days after the cessation of such production, but shall remain in force and effect so long as such operations are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas, or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. Any pooled unit designated by Lessee in accordance with the terms hereof, may be dissolved by Lessee by instrument filed for record in the appropriate records of the county in which the leased premises are situated at any time after the completion of a dry hole or the cessation of production on said unit. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land within 330 feet and is draining the leased premises, or land pooled therewith, Lessee agrees to drill such offset well or wells as a reasonably prudent operator would drill under the same or similar circumstances. Lessee may at any time execute and deliver to Lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

6. Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing. When required by Lessor, Lessee will bury all pipe lines below ordinary plow depth, and no well shall be drilled within two hundred (200) feet of any residence or barn now on said land without Lessor's consent.

7. The rights of either party hereunder may be assigned in whole or in part, and the provisions hereof shall extend to the heirs, successors and assigns of such party; but no change or division in ownership of the land, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee; and no change or division in such ownership shall be binding on Lessee until thirty (30) days after Lessee shall have been furnished by registered U.S. mail at Lessee's principal place of business with a certified copy of recorded instrument or instruments evidencing same. In the event of assignment hereof in whole or in part, liability for breach of any obligation hereunder shall rest exclusively upon the owner of this lease or of a portion thereof who commits such breach. If six or more parties become entitled to royalty hereunder, Lessee may withhold payment thereof unless and until furnished with a recordable instrument executed by all such parties designating an agent to receive payment for all.

8. The breach by Lessee of any obligation arising hereunder shall neither work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part. No obligation reasonably to develop the leased premises shall arise during the primary term. Should oil, gas or other mineral in paying quantities be discovered on said premises, then after the expiration of the primary term, Lessee shall develop the acreage retained hereunder as a reasonably prudent operator, but in discharging this obligation it shall in no event be required to drill more than one well per forty (40) acres plus an acreage tolerance not to exceed 10% of 40 acres of the area retained hereunder and capable of producing oil in paying quantities and one well per 640 acres plus an acreage tolerance not to exceed 10% of 640 acres of the area retained hereunder and capable of producing gas or other mineral in paying quantities. If after the expiration of the primary term, Lessor considers that operations are not at any time being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee, if in default, shall have sixty days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument.

9. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalties and shut-in royalties payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate in such part of the leased premises.

10. Lessee at its option may discharge any tax, mortgage or other lien upon the property, either in whole or in part, and in event Lessee does so, it shall be subrogated to such lien with the right to enforce same and apply royalties accruing hereunder toward satisfying same. It is agreed that if this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether Lessor's interest is herein specified or not), or no interest therein, then the royalties, and other monies accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by Lessor) shall be paid out of the royalty herein provided. Should any one or more of the parties named above as Lessors fail to execute this lease, it shall nevertheless be binding upon the party or parties executing the same.

11. Lessee may, at any time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones thereunder, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder.

12. Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting drilling or reworking operations thereon or from producing any oil, gas or other minerals therefrom by reason of scarcity of or inability to obtain or to use equipment or material, or by operation of force majeure, Federal or state law or any order, rule or regulation of governmental authority, then while so prevented, Lessee's obligation to comply with such covenant shall be suspended, and Lessee shall not be liable in damages for failure to comply therewith; and this lease shall be extended while and so long as Lessee is prevented by any such cause from conducting drilling or reworking operations on or from producing oil or gas from the lease premises; and the time while Lessee is so prevented shall not be counted against Lessee, anything in this lease to the contrary notwithstanding.

13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.

14. The following terms and provisions set hereafter made a part of the above oil and gas lease shall take precedence over any inconsistent terms and provisions contained in this lease.

**Notwithstanding anything contained in this lease to the contrary, Lessor and Lessee do hereby understand and agree as follows:**

1. **Surface Use.**

- A. It is the intention of Lessor and Lessee that the Lease and the Land covered by the Lease shall be a non-drilling lease. Accordingly, without the prior written consent of Lessor, which can be withheld in Lessor's sole discretion, Lessee may not enter upon the land covered by the Lease, and cannot conduct any operations of any nature on the surface of the land covered by the Lease. Without limiting the generality of the foregoing, Lessee understands and agrees that Lessee, its successors and assigns, cannot: (i) come on, over or across the land covered by the Lease, (ii) conduct any drilling (except horizontal drilling from an off-lease drill site), exploration, geologic or geophysical operations on the land covered by the Lease, (iii) store any materials or supplies or install or locate any equipment or facilities on the land covered by the Lease, nor (iv) lay any pipelines or utilities on, over, under or across, the land covered by the Lease.

2. **Royalty.**

- A. As royalties, Lessee agrees:

- (1) To deliver free of cost to Lessor at the wells or to the credit of Lessor at the pipeline to which the wells may be connected, 25/100ths (25.0%) (the "Royalty Fraction") of all oil and other liquid hydrocarbons produced and saved from the Land. At Lessor's option, which may be exercised from time to time, Lessee shall pay to Lessor the Royalty Fraction of the market value at the well of oil and other liquid hydrocarbons of like grade and gravity prevailing in the area on the day the oil and other hydrocarbons are run from the lease. (The "area" means the general area in which the Land is located.)
- (2) To pay to Lessor:
  - (a) On gas produced from the Land and sold by Lessee pursuant to an arms-length contract with a purchaser that is not an affiliate of Lessee, for a term no longer than that which is usual and customary in the industry at the time the contract is made, and in any event for a term of one (1) year or less, and to which the following subparagraphs (b) and (c) do not apply, the Royalty Fraction of the total proceeds received by Lessee at the point of sale, plus the reimbursement and adjustments required by the provision of paragraphs 2B, 2C and 2D below.

- (b) On gas produced from the Land and sold by Lessee to an affiliate or used on or off the Land by Lessee or an affiliate of Lessee and to which the following subparagraph (c) does apply, the greater of the Royalty Fraction of (i) the market value of the gas at the point of sale, use, or other disposition, or (ii) the total proceeds received by Lessee at the point of sale, use or other disposition, and, in either case, plus the reimbursements, adjustments and other payments required by the provisions of paragraphs 2B, 2C and 2D below.
  - (c) On gas produced from the Land that is processed in a processing plant in which Lessee or an affiliate of Lessee has a direct or indirect interest, the greater of the Royalty Fraction of the market value of the gas at the inlet to the processing plant, OR the Royalty Fraction of the market value of all processed liquids saved from the gas at the plant, plus the Royalty Fraction of the total proceeds received by Lessee for residue gas at the point of sale, use or other disposition; and, in every case, plus the reimbursements, adjustments and other payments required by the provisions of paragraphs 2B, 2C and 2D below.
- B. The market value of gas will be determined at the specified location by reference to the gross heating value (measured in British thermal units) and quality of the gas. The market value used in the calculation of oil and gas royalty will never be less than the total proceeds received by Lessee in connection with the sale, use, or other disposition of the oil or gas produced and sold, used or disposed of, plus the requirements, adjustments and other payments required by the provisions of this paragraph 2B, and paragraphs 2C and 2D below. For purposes of this paragraph 2, if Lessee receives from a purchaser of oil or gas any reimbursement for all or any part of severance or production taxes, or if Lessee realizes proceeds of production after deduction for any expense of production, gathering, dehydration, separation, compression, transportation, treatment, processing, storage, or marketing, then the reimbursement or the deductions will be added to the total proceeds received by Lessee. Royalty calculated in the manner provided in this paragraph 2 will be paid on oil and gas produced from the Land and consumed by Lessee or others for compression, dehydration, fuel, or other use.
- C. Lessor's royalty will never bear, either directly or indirectly, any part of Lessee's costs or expenses of production, separation, gathering, dehydration, compression, transportation, trucking, processing, treatment, and storage on the Land (or any land pooled with the Land), or any part of the costs of construction, operation, or depreciation of any plant or other facilities or equipment used in the handling of oil or gas, or any part of Lessee's costs of expenses to lay a pipeline to the point of sale, use or other disposition, or any charges, fees or deductions to transport production through any pipelines or facilities of an affiliate of Lessee, to the point of sale, use or other disposition; provided, further, Lessor's royalty will bear its share of the actual charges, fees and deductions, to transport production through any pipelines or facilities of a non-affiliated third party off the Land (and any land pooled with the Land) or beyond the point of sale, use or other disposition, which are taken into consideration in calculating the total proceeds paid for the production at the point of sale, use or other disposition.
- D. Lessor shall be paid the Royalty Fraction of all payments and other benefits made under any oil or gas sales contract or other arrangement, including, but not limited to, stand by fees, reserve maintenance fees, premiums, take-or-pay payments, or any other payment or benefit regardless of the name or purpose for the payment or benefit, and payments received in settlement of disputes relating to any contracts related to the sale, use or other disposition of the oil or gas; provided that if Lessor receives a recoupable take-or-pay or similar payment for gas that has not been produced, and if the gas is subsequently produced, Lessor's royalty for such make-up gas shall be determined after giving credit for the take-or-pay or similar payment actually received by Lessor for such gas.
- E. As used in this Lease, "affiliate" means (i) a corporation, joint venture, partnership, or other legal entity that owns more than ten percent of the outstanding voting interest of Lessee or in which Lessee owns more than ten percent of the outstanding voting interest; or (ii) a corporation, joint venture, partnership, or other legal entity in which, together with Lessee, more than ten percent of the outstanding voting interests of both Lessee and the other corporation, joint venture, partnership, or other legal entity is owned or controlled by the same persons or group of persons.
- F. Lessee must disburse or cause to be disbursed to Lessor its royalty on production from a particular well not later than 120 days after completion of the well, in the case of an oil well, or after the pipeline connection, in the case of a gas well. Thereafter, Lessee must disburse or cause to be disbursed to Lessor its royalty on production by the last day of the second month after the month of production. If not paid when due, Lessor's royalty will bear interest at the maximum lawful rate from the due date until paid, which amount Lessee agrees to pay.
- G. Acceptance by Lessor of royalties that are past due will not act as a waiver or estoppel of its right to receive interest due thereon unless Lessor expressly so provides in a writing signed by Lessor.
- H. The receipt by Lessee from a purchaser or a pipeline company of proceeds of production for distribution to Lessor will not result in Lessee acquiring legal or equitable title to those proceeds, but Lessee will at all time hold the proceeds in trust for the benefit of the Lessor. Notwithstanding the failure of any purchaser of production to pay Lessee for oil or gas produced from the Land, including, but not limited to, the insolvency, bankruptcy, or other business failure of a purchaser of production from the Land or pipeline company transporting production from the Land, Lessee will remain liable for payment to Lessor for, and agrees to pay Lessor all royalties due Lessor together with interest if not timely paid.

### 3. Shut-In Royalties.

The right of Lessee to maintain the Lease in force by payment of shut-in royalties is limited to the period of four cumulative years. The obligation of Lessee to pay shut-in royalties is a condition and a covenant. The payment or tender of royalty under this paragraph may be made by the check of Lessee mailed or delivered to Lessor at the address provided herein on or before the due date. The shut-in royalty payment shall be Fifty and No/100ths (\$50.00) Dollars/Acre.

### 4. Drilling and Reworking Operations.

The Lease shall terminate at the expiration of the Primary Term, if there is no oil or gas being produced in paying quantities from the Land (or land pooled therewith), or no gas well on the Land (or land pooled therewith) for which shut-in royalty payments are timely and properly paid, or if Lessee is not then engaged in the actual drilling of a new well or operations to re-work or re-complete a well which has ceased to produce oil or gas in paying quantities for any reason which is not covered by and subject to the shut-in royalty provisions; provided, however, that if Lessee is engaged at the expiration of the Primary Term in drilling a new well or re-working or re-completing an existing well from which production in paying quantities has ceased, the Lease shall be extended for so long as Lessee diligently prosecutes such operations to completion, with no cessation of operations for more than sixty (60) consecutive days; and provided, further, if such operations result in the completion of a well capable of producing in paying quantities or restoring production in paying quantities from an existing well, then the Lease shall be held by production, subject to the other provisions of the Lease. If a well which has produced oil or gas in paying quantities ceases to produce in paying quantities after the expiration of the Primary Term, and the Lease is not otherwise being maintained by production, continuous drilling or reworking operations, or timely and properly paid shut-in royalty payments, the Lease shall terminate; provided, however, that the Lease shall not terminate if Lessee restores production in paying quantities from such well by reworking, repair or re-completion operations actually commenced within sixty (60) days after the cessation of production from such well, which are diligently prosecuted to completion with no cessation of such operations for more than sixty (60) consecutive days.

### 5. Force Majeure.

Should Lessee be prevented by reason of Force Majeure from complying with any express or implied covenant of this Lease (other than a requirement to pay money), from conducting drilling or reworking operations on the Land, or from producing oil or gas, then while so prevented, that covenant will be suspended; Lessee will not be liable for damages for failure to comply therewith; this Lease will be extended so long as Lessee is prevented from conducting drilling or reworking operations on or from producing oil or gas from the Land; and the time while Lessee is so prevented will not be counted against the Lessee. "Force Majeure" means any Act of God, any new federal or state law, or other rule, or regulation of governmental authority, or other cause (other than financial reasons) beyond Lessee's control. In no event shall this Lease be perpetuated by an event of force majeure for a period of more than two (2) years of cumulative time.

6. **No Warranties.**

Lessor makes no warranty of any kind with respect to title to the Land. By acceptance of the Lease, Lessee acknowledges that it has been given full opportunity to investigate and has conducted sufficient investigation to satisfy itself as to the title to the Land, and Lessee assumes all risk of title failures. If Lessor owns an interest in the Land less than the entire fee simple estate, then the royalties (including shut-in royalties) payable hereunder will be reduced proportionately.

7. **Indemnity.**

LESSEE AGREES TO DEFEND, INDEMNIFY AND HOLD HARMLESS LESSOR, AND LESSOR'S PARTNERS, REPRESENTATIVES, SUCCESSORS AND ASSIGNS, AND THEIR OFFICERS, REPRESENTATIVES, EMPLOYEES, AND AGENTS, AGAINST ALL COSTS, EXPENSES, CLAIMS, DEMANDS, LIABILITIES, AND CAUSES OF ACTION OF ANY NATURE OR KIND, INCLUDING BUT NOT LIMITED TO CLAIMS FOR INJURY TO OR DEATH OF PERSONS AND LOSS OR DAMAGE TO PROPERTY, AND INCLUDING, WITHOUT LIMITATION, REASONABLE ATTORNEY FEES, EXPERT FEES, AND ALL COURT COSTS AND OTHER EXPENSES INCURRED, ARISING OUT OF, RESULTING FROM, OR IN ANY WAY CONNECTED WITH, LESSEE'S OPERATIONS AND ACTIVITIES ON THE LAND OR ANY ADJACENT OR POOLED LAND OR LESSEE'S MARKETING OF PRODUCTION FROM THE LAND OR ANY POOLED LAND OR ANY VIOLATION OF ANY ENVIRONMENTAL REQUIREMENTS IMPOSED ON LESSEE. AS USED IN THIS PARAGRAPH, THE TERM "LESSEE" INCLUDES LESSEE, ITS AGENTS, EMPLOYEES, SERVANTS, INDEPENDENT CONTRACTORS, AND ANY OTHER PERSON ACTING ON ITS BEHALF OR UNDER ITS DIRECTION AND CONTROL.

8. **Environmental.**

As used herein, the term "Hazardous Materials" means any substance defined or identified as hazardous, extra hazardous or toxic substance, waste, or regulated material under any applicable federal, state, or local statute, rule, regulation, order, guideline, or other law (herein "applicable law"). "Remedial Work" is defined as any site investigation or monitoring, any cleanup, containment, remediation, removal, or restoration work performed in response to any federal, state or local government authority, or private party action, or pursuant to any applicable law. Lessee shall (1) remove from the Land covered by this Lease or any adjacent or pooled land, if, as and when required by applicable law, any Hazardous Materials placed or released thereon by Lessee or in connection with Lessee's operations and activities; (2) perform Remedial Work where the need arises as a result of Lessee's operation and activities on said Land; and (3) comply in all respects with applicable law governing Lessee's operation and activities and Remedial Work. Remedial Work shall be performed by one or more contractors selected by Lessee and approved in advance by Lessor under the supervision of a consulting engineer or environmental hazard expert selected by Lessee and approved in advance by Lessor. All costs and expenses of Remedial Work arising out of or resulting from Lessee's operations and activities shall be paid by Lessee, including, without limitation, the charges of such contractors and/or consultants and Lessor's reasonable attorney's fees and costs incurred in connection with the monitoring or review of Remedial Work. If Lessee shall fail to timely commence or cause to be commenced, or fail to diligently prosecute to conclusion, such Remedial Work, Lessor may (but is not required to), after first giving Lessee fifteen (15) days notice of its failure and Lessee's continued failure to perform, cause such Remedial Work to be performed and Lessee will reimburse Lessor for all reasonable costs of such work, with interest, in accordance with Paragraph 16. Lessee will notify Lessor of any notice, claim or other action by any governmental agency or third party involving the actual or alleged existence of Hazardous Materials on said land, and provide Lessor with copies of (1) any notices of any release or existence of Hazardous Materials given by or to Lessee and (2) any report or response to any such incident. Lessee will indemnify, pay and protect, defend and hold harmless Lessor, its officers, partners, employees, agents and representatives, and their guests and invitees, and their heirs, successors and assigns, from all claims, lawsuits, causes of action, administrative orders and proceedings, fees, penalties, costs, losses, judgments, settlements, and damages, of every kind and character, including reasonable attorney's fees, expert fees, court costs and all other expenses incurred, which may grow out of, arise from, or in any manner be connected with the actual or alleged presence or release on any Hazardous Materials in connection with the activities of Lessee and Lessee's agents, invitees, guests, contractors, servants, and employees, on the Land covered by the Lease and any adjacent or pooled property. This indemnification includes costs in connection with Remedial work when performed by Lessor or any third party in response to any applicable law or governmental authority or third party.

**IN WITNESS WHEREOF**, this lease is executed as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

LESSOR:

SSHF &amp; G, L.L.C.

By: 

Judy Smith, President

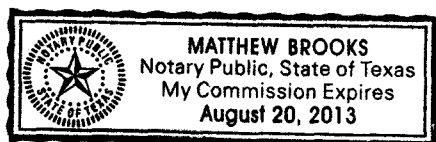
LESSEE:

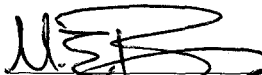
Dale Property Services, L.L.C.

By: Justin Hollingsworth  
as Vice President - Leasing

THE STATE OF TEXAS }  
COUNTY OF TARRANT }

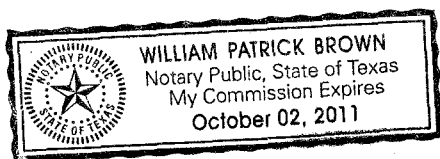
This instrument was acknowledged before me on this 22nd day of December, 2009, by Judy Smith, President of SSHF & G, L.L.C., on behalf of said limited liability company, the Lessor(s).




  
Notary Public, State of Texas

THE STATE OF TEXAS }  
COUNTY OF Tarrant }

This instrument was acknowledged before me on this 28th day of December, 2009, by Justin Hollingsworth,  
Vice President - Leasing of Dale Property Services, L.L.C., on behalf of said limited liability company, the Lessee(s).



  
Notary Public, State of Texas

After recording please return to:  
Dale Property Services, L.L.C.  
Attn: \_\_\_\_\_  
2100 Ross Ave., Suite 1870  
Dallas, Texas 75201

SUZANNE HENDERSON

COUNTY CLERK



100 West Weatherford Fort Worth, TX 76196-0401

PHONE (817) 884-1195

DALE RESOURCES LLC  
2100 ROSS AVE STE 1870 LB-9  
DALLAS, TX 75201

Submitter: DALE RESOURCES LLC

**DO NOT DESTROY**  
**WARNING - THIS IS PART OF THE OFFICIAL RECORD.**

Filed For Registration: 1/4/2010 1:41 PM

Instrument #: D210000840

LSE

6

PGS

\$32.00

By: \_\_\_\_\_

*Suzanne Henderson*

D210000840

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY  
BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

Prepared by: VMMASSINGILL